

1 gross basis, just the programming costs and
2 the programming revenue. So the general and
3 administrative expenses to support those, I'm
4 not really familiar with how the company
5 allocates those yet.

6 Q That will be next week's course.

7 JUDGE SIPPEL: I'm going to close
8 this up. That's very fine. Okay.

9 BY MR. CARROLL:

10 Q And I have one other question to
11 follow up maybe Your Honor, and that was this.
12 Can you give His Honor a sense for how many
13 channels are currently on, how many
14 programming networks are currently carried at
15 the D1 level, for example?

16 A I'm not sure of the exact number,
17 but you know, it's probably in the 200 range.
18 It's a substantial number.

19 Q You need to learn that in the next
20 week as well. And can you give us a sense, do
21 you have to, take the number hypothetically
22 200. Does that mean that periodically, you're

1 in negotiations with each one of those 200
2 about potential price increases for contracts
3 for those channels?

4 A Periodically, yes.

5 Q Contracts are set for particular
6 terms, and when they come up, that's part of
7 the negotiation?

8 A That's correct, that's correct.

9 Q And I think you spoke to this
10 earlier. Have prices generally been going
11 increasing in recent years, that you have to
12 pay the networks for the programming that
13 you're putting there?

14 A That is correct. That's why I
15 have gray hair.

16 Q And what about related to this, if
17 I might, the broadcast networks. Has anything
18 happened in recent years with respect to
19 whether broadcast networks charge through to
20 you for programs that you're including as part
21 of your packages?

22 A Yes. Historically, broadcast

1 networks were free, and over the past number
2 of years, they've now started charging cable
3 operators for the right to retransmit their
4 signals, for the right to distribute their
5 signals.

6 JUDGE SIPPEL: Are these must-
7 carry stations?

8 THE WITNESS: No. These are
9 broadcast networks like ABC or CBS, that elect
10 to negotiate, as opposed to the must-carry
11 provision, to force the operator to carry it.
12 The fees are increasing at incredible rates,
13 on an annual basis, sometimes as much as 100
14 percent.

15 BY MR. CARROLL:

16 Q And that's part of the entire cost
17 picture that you have to manage in your
18 current new job at Comcast?

19 A That's correct. There's a brand
20 new -- well, brand new over the last 24 to 36
21 months, element of expense in programming, and
22 it's just explosive in its growth. A major

1 problem.

2 JUDGE SIPPEL: What about service
3 costs, all those little perks that Comcast
4 gives out?

5 THE WITNESS: Those are very
6 expensive.

7 JUDGE SIPPEL: Are you taking that
8 into account too? Is that --

9 THE WITNESS: I'm not responsible
10 for managing those costs, but those are a big
11 -- that's another guy in the company's
12 problem, and it's a big problem, put it that
13 way.

14 JUDGE SIPPEL: You need to have
15 the weapon.

16 MR. CARROLL: I'm finished at my
17 end, Your Honor, unless you have anything
18 else.

19 JUDGE SIPPEL: No, I'm fine.
20 Thank you.

21 MR. CARROLL: Thank you very much,
22 Mr. Rigdon.

1 JUDGE SIPPEL: If I weren't so
2 hungry, I'd ask more questions.

3 (Laughter.)

4 MR. PHILLIPS: I'll try to be
5 pretty brief, Your Honor.

6 CROSS EXAMINATION

7 BY MR. PHILLIPS:

8 Q Good afternoon, Mr. Rigdon. We've
9 met a couple of times before. I'm Will
10 Phillips from Covington, and I represent the
11 Tennis Channel. I have a few questions for
12 you.

13 A Okay. Good afternoon.

14 Q Now I think as you told Mr.
15 Carroll, you started working with Comcast just
16 a couple of months ago, February?

17 A February 1st.

18 Q And I believe you told my
19 colleague, who's Pogoriler, that it was the
20 most unambiguously fantastic decision you've
21 ever made was to go to Comcast, is that right?

22 A That sounds like what I said, yes.

1 Q Well as a new employee, I take it
2 you don't want to say anything negative, that
3 would put you into bad graces in your new job?

4 A You know, it's important that I do
5 my job well.

6 Q Now you weren't present at Comcast
7 during the May 9th of 2009 proposal that Mr.
8 Solomon made to Mr. Bond, right?

9 A That is correct.

10 Q And you weren't present for any
11 part of the consideration of that May 2009
12 proposal that Mr. Solomon made; correct sir?

13 A At that time, no. That's correct.

14 Q And you weren't there for Ms.
15 Gaiki's telephone calls to the four field --
16 the four division people in the field;
17 correct?

18 A That is correct.

19 Q And you weren't present for the
20 June conference call that Mr. Bond had with
21 his team with Mr. Solomon, in which he told
22 Tennis Channel that he was rejecting their

1 proposal, were you sir?

2 A That is correct.

3 Q Okay. Now let me go back for a
4 second to 2000 -- to Charter for a second.
5 You started, I believe if my math is right, in
6 2006; correct sir?

7 A That is correct.

8 Q You were at AOL before that?

9 A That is correct.

10 Q And Charter decided -- Charter
11 entered into a carriage agreement with Tennis
12 Channel in 2005; correct sir?

13 A That is correct.

14 Q In fact, Exhibit 120 that's in
15 front of you, Comcast Exhibit 120 says at the
16 top of it that it was made the [REDACTED]

17 [REDACTED]; correct sir?

18 A That is correct.

19 Q And you weren't there when that
20 decision was made, were you sir?

21 A That is correct.

22 Q And it's your understanding that

1 when that decision was made, Charter put
2 Tennis Channel, back in 2005, on the sports
3 tier; correct sir?

4 A In some markets, that's correct.

5 Q And in fact in most of the markets
6 that it's showing the Tennis Channel, it was
7 on a sports tier in 2005; correct sir?

8 A Yes, that's correct. My point was
9 that Charter didn't launch it in all of their
10 markets.

11 Q Right. But where it did launch
12 it, it tended to launch it on the sports tier?

13 A That's correct.

14 Q And you weren't part of that
15 decision back in 2005, were you sir?

16 A That is correct.

17 Q Now you inherited that position
18 when you came in in 2006, sir; correct?

19 A Not immediately in 2006, no.

20 Q Well, but when you took the job as
21 the EVP in charge of content acquisition or
22 distribution -- I'm sorry, I didn't hear it

1 right. In terms of distribution?

2 A Sir, at the time my title was SVP
3 of Business Development, and in December of
4 2006, I assumed responsibilities for content
5 acquisition.

6 Q And when you say you assumed
7 responsibilities for content acquisition, that
8 meant deciding which networks were going to
9 get shown and at which tiers; correct?

10 A That is correct.

11 Q When you went into that position,
12 that's when you inherited basically the
13 responsibilities for Tennis Channel; correct
14 sir?

15 A That's correct.

16 Q And at that point in time, to the
17 extent Tennis Channel was being carried, it
18 was being carried already on the sports tier,
19 right sir?

20 A That is correct.

21 Q That decision had been made by
22 your predecessor?

1 A It had -- that's correct.

2 Q Okay, and just staying with
3 Comcast Exhibit 120 for a second sir, when
4 does that agreement expire?

5 A [REDACTED]
6 [REDACTED]

7 Q Now let me ask you to turn, I
8 think I've got it here somewhere, turn to
9 paragraph three on page eight. Excuse me.

10 A Okay.

11 Q Now, and under that paragraph, it
12 says that unless it's terminated for another
13 reason, it continues on to be effective until
14 the [REDACTED] anniversary; correct sir?

15 A That's correct.

16 Q That would be [REDACTED]?

17 A That's correct.

18 Q And to your knowledge, it hasn't
19 been terminated or renegotiated, has it?

20 A No, but it's been an active
21 agreement. I understood when I took over the
22 position of content acquisition that with

1 respect to the Tennis Channel, we had
2 significant flexibility on where we could
3 carry it, whether or not we carried it at all,
4 with the Tennis Channel, over the course of
5 the following four years.

6 We had plenty of discussions about
7 whether we should carry them more broadly,
8 whether we should launch them in new markets.
9 So you know, it was an active contract.

10 Q But that contract's not up for
11 renewal. The same terms are going to apply
12 until [REDACTED]; correct sir?

13 A Unless they're renegotiated during
14 the term, yes sure.

15 Q And they didn't renegotiate it
16 during your term, did they sir?

17 A No, but we did make decisions to
18 do additional things with respect to
19 distribution under my supervision while I was
20 at Charter.

21 Q And one of the things that's been
22 going on at Charter during the last year or so

1 is a lot more distribution of the Tennis
2 Channel, has it not sir?

3 A I don't know if I would
4 characterize it as a lot more, but we did
5 launch it in several markets.

6 Q But it's nearly doubled in the
7 last four or five months, hasn't it sir?

8 A I wouldn't have guess that the
9 numbers are that big, but we did launch it in
10 St. Louis and Los Angeles and other markets.

11 Q And you were aware that in the
12 last few months, Charter's been rolling Tennis
13 Channel out relatively broadly, is that right
14 sir?

15 MR. CARROLL: I'll just note one
16 thing. This is the material that they asked
17 me out of his direct, and I just want to
18 caution Mr. Phillips. He's just opened the
19 door, because now that he's asking about these
20 details with Charter, I've got to be able to
21 cross-examine back on this.

22 MR. PHILLIPS: This is public

1 information, Your Honor. That's all I was
2 objecting to. And in fact, both the witness
3 and Mr. Carroll went through this stuff, and
4 the witness said that he made these decisions
5 consistent with the things that happened at
6 Charter.

7 I'll move on. I think I've made
8 my point. But our objection was based on the
9 fact that we were not able to go into the
10 internal deliberations at Charter. I'm only
11 going on the basis of public information.

12 MR. CARROLL: But what he's asking
13 about are decisions at Charter that if you
14 read the earlier version of this, it's not in
15 the record officially, is exactly what he just
16 asked about with respect to recent launches.
17 I took it out as a compromise last evening.

18 MR. PHILLIPS: I don't agree with
19 it, but noting Mr. Carroll's objection, I'll
20 move on, Your Honor.

21 JUDGE SIPPEL: Well, we've got the
22 Treaty of Paris here.

1 (Laughter.)

2 THE WITNESS: Was there a standing
3 question that you wanted me to talk to? I can
4 explain why those launches took place.

5 (Simultaneous speaking.)

6 MR. PHILLIPS: No. I'll keep
7 going.

8 JUDGE SIPPEL: No, let him
9 explain. He said he's got more information.

10 THE WITNESS: Yes. So those
11 launches were done under my supervision and,
12 you know, I think sort of the process that
13 Charter went through to decide to make those
14 launches is instructive in this case, in the
15 sense that it was really a very difficult
16 decision.

17 It took years for Charter to make
18 the decision, to provide any incremental
19 distribution, in markets like Los Angeles and
20 St. Louis that the Tennis Channel really felt
21 were great markets for tennis fans.

22 The reason that it was difficult

1 to make those decisions is that there was no
2 real discernible consumer demand. When I
3 spoke to the field about it, they had no
4 particular passion around doing those
5 launches. It was part of a broader effort to
6 put value into the sports tier, and so that's
7 why we did it.

8 But it was with great ambivalence,
9 because it was unclear that the Tennis Channel
10 would help drive value in the sports tier.

11 MR. PHILLIPS: Your Honor, that's
12 the testimony I am going to object to.
13 That's the testimony that we were striking.
14 That's the reason I withdrew the last
15 question. I don't think it's fair to be going
16 into that.

17 JUDGE SIPPEL: Well, you know,
18 there is a narrow standard when it comes to
19 cross-examination.

20 MR. PHILLIPS: I'll move on, Your
21 Honor.

22 JUDGE SIPPEL: Mr. Carroll's

1 right. You did to a degree open the door, or
2 at least you put a crack in the door, and he
3 just ran through the crack. I'm going to
4 leave it the way it is, and you keep going.

5 BY MR. PHILLIPS:

6 Q Okay. Mr. Rigdon, at your
7 deposition, I wasn't there. My colleague, Ms.
8 Pogoriler, examined you. But at your
9 deposition, you didn't know why Charter
10 launched the Tennis Channel, did you?

11 A That doesn't sound accurate to me.

12 Q Well, let me read from your
13 deposition transcript, if I may. Deposition
14 Transcript at page 33, line 14.

15 MR. CARROLL: Just a second. Do
16 you have a copy for the witness? Do you want
17 me to give him one. Can I hand it up?

18 JUDGE SIPPEL: Certainly. Go
19 right ahead.

20 MR. CARROLL: He's your witness at
21 this point, so tell me what to do. Okay.

22 JUDGE SIPPEL: I was actually

1 excited beforehand.

2 MR. CARROLL: So much for the
3 treaty.

4 MR. PHILLIPS: May I approach,
5 Your Honor?

6 JUDGE SIPPEL: Yes, you may. This
7 is just deposition testimony. Well, I'll take
8 a copy, but you should be able to just read it
9 to him and --

10 MR. PHILLIPS: This what I
11 thought. Mr. Carroll wanted me to show it to
12 him, and I'm happy to do that as well.

13 JUDGE SIPPEL: Well, Mr. Carroll,
14 you can --

15 (Simultaneous speaking.)

16 THE WITNESS: I've got it. I
17 appreciate it.

18 MR. PHILLIPS: You've got it,
19 Mike?

20 MR. CARROLL: I do, thank you.

21 JUDGE SIPPEL: So we don't even
22 have to mark this as an exhibit, unless

1 something happens, you know.

2 BY MR. PHILLIPS:

3 Q Just let me find my page again.

4 Page 33, line 14.

5 A Page 33.

6 JUDGE SIPPEL: What page are we
7 on?

8 MR. PHILLIPS: 33, line 14. I'd
9 just like to read that question and answer.
10 Now if I can read it for you, Mr. Rigdon. The
11 question was, let's see. Are you with me?

12 JUDGE SIPPEL: Is that where 33
13 is?

14 THE WITNESS: Okay.

15 BY MR. PHILLIPS:

16 Q And my colleague asked "Why does
17 Charter carry Tennis Channel," and you asked
18 "Charter. I can't speak to why Charter
19 launched it. But under my tenure, I thought
20 Tennis Channel, within the sports tier, was a
21 valuable component of the sports tier." Do
22 you see that?

1 A I do.

2 Q That was accurate at the time you
3 gave it, sir?

4 A What I was referring to is the
5 decision that you referenced earlier in 2005,
6 not the decisions that I was just talking
7 about.

8 Q Sir, when --

9 JUDGE SIPPEL: Answer his
10 question. He's asking you at the time that
11 you gave that answer, was that an accurate
12 answer?

13 THE WITNESS: Yes, with respect to
14 their launches in 2005, that's an accurate
15 answer.

16 JUDGE SIPPEL: Well, is that part
17 of the question? Do we have go back way
18 before that to find that out?

19 THE WITNESS: I'm just clarifying.
20 I can't speak to why Charter launched it. I'm
21 referring to 2005, not the launches that were
22 just referenced, that are happening right now.

1 BY MR. PHILLIPS:

2 Q Your Honor, the next question and
3 answer on the same page makes that explicitly
4 clear. "And when you were -- you don't know,
5 Mr. Rigdon, whether Charter had the rights to
6 carry Tennis Channel more broadly than its
7 sports tier, did you?"

8 A During the deposition, I didn't
9 recall it. I've since had a chance to refresh
10 my recollections.

11 Q And the deposition took place when
12 you'd been at Comcast, what, about a month or
13 a little over?

14 A That sounds accurate.

15 Q And you'd recently left Charter;
16 correct?

17 A Correct.

18 Q And when you were at Charter, you
19 didn't know whether Charter had -- and during
20 the deposition, you didn't know whether
21 Charter had any distribution obligations or
22 commitments to Tennis Channel under its

1 Charter agreement, did you sir?

2 A Yes. During the depositions, I
3 didn't recall.

4 Q You didn't know what Charters pay
5 per subscriber to Tennis Channel at the
6 deposition, did you sir?

7 A Yes. I'm generally more focused
8 not on per unit fees, but on what annual
9 expenses are.

10 Q And you didn't even know the range
11 of numbers that Charter paid Tennis Channel at
12 your deposition, did you sir?

13 A Yes. I was reluctant to give
14 inaccurate information during the deposition.

15 Q Well, you didn't even know whether
16 the amount paid was 15 cents, 20 cents or
17 more. You had no sense of it is what you
18 said, isn't that right, sir?

19 A Again, I don't think on a per sub
20 rate basis. I think in terms of annual
21 expenses.

22 Q And you didn't know by the end of

1 the year of 2010, how many subs at Charter
2 received the Tennis Channel, did you sir?

3 A I didn't know the specific number.

4 Q And when my colleague asked you
5 that question, you just said "I don't know."
6 Is that correct, sir?

7 A Yes. Again, I was reluctant to
8 give inaccurate information.

9 JUDGE SIPPEL: Well, that's not
10 what the question was. The question was, as
11 he frames the question, you answer the
12 question. Do you understand?

13 THE WITNESS: Sure.

14 BY MR. PHILLIPS:

15 Q Thank you, Your Honor. You don't
16 -- and you don't know whether any Charter
17 system ever had a Tennis Channel preview, did
18 you sir?

19 A I didn't supervise previews, no.

20 Q You didn't have any idea how many
21 subscribers Tennis Channel had when you left
22 Charter, whether it was 100,000, 200,000,

1 300,000, 400,000, isn't that right?

2 A I think I clarified, later on in
3 the deposition, that you know, a range of how
4 many subscribers it would have had.

5 Q You said it had to be less than [REDACTED]
6 [REDACTED], but you didn't know anywhere between
7 there, sir?

8 A No. I think I clarified beyond
9 that.

10 Q Well, if I may --

11 A I did the math in my head and
12 figured out how many sports tier subscribers
13 there were, and that helped me zero in on it.

14 Q Now again, Mr. Rigdon, let me just
15 ask you a few more questions about Charter on
16 public information. Just a couple. When you
17 were at Charter --

18 JUDGE SIPPEL: Are you off the
19 deposition now?

20 MR. PHILLIPS: I'm off the
21 deposition for the moment, Your Honor.

22 JUDGE SIPPEL: Then let me just

1 ask one thing. Mr. Carroll, you said there
2 was something on the next page that cleared up
3 that 2005 reference?

4 MR. CARROLL: Yes, Your Honor. If
5 you look at the very next question and answer,
6 after what Mr. Phillips asked, page 33, line
7 20, the very next question was "And in what
8 way and what sense?" If you read the witness'
9 answer, I won't characterize it. I'll just
10 call that to your attention, over the timing
11 issue.

12 JUDGE SIPPEL: Well, why don't you
13 just read the answer into the record?

14 MR. CARROLL: Sure. The question
15 was "And in what way and what sense?" The
16 answer the witness gave at line 22 "You need
17 to make sure that you have enough product in
18 the sports tier for it to be compelling, and
19 since the Tennis Channel had been launched
20 prior to my arrival, and it was in the sports
21 tier, it was something that I thought was
22 important to keep there, to keep that as a

1 viable product."

2 JUDGE SIPPEL: Thank you.

3 MR. CARROLL: Thank you, Your
4 Honor.

5 BY MR. PHILLIPS:

6 Q You believed that when you were at
7 Charter, the Tennis Channel added value to the
8 sports tier, did you not sir?

9 A Yes. I thought it added value.
10 It was unclear how much, yes.

11 Q Now while you were at Charter,
12 Charter suffered from serious financial
13 problems, didn't it, Mr. Rigdon?

14 A It did.

15 Q And did you have an understanding
16 as to what the causes of Charter's financial
17 problems were?

18 A Charter had too much debt.

19 JUDGE SIPPEL: This is all coming
20 out of public documents.

21 BY MR. PHILLIPS:

22 Q Yes, it is. I'm getting there,

1 Your Honor. I'm getting there. In 2009,
2 Charter filed for bankruptcy, didn't it sir?

3 A Yes, that's accurate.

4 Q I think it was -- well, never
5 mind. Now you also would agree with me, would
6 you not Mr. Rigdon, that different
7 distributors can have different approaches?

8 A Sure.

9 Q And that those different
10 approaches might depend upon their individual
11 situation and objectives, sir?

12 A Sure.

13 Q And you would agree also that
14 Comcast is in a much better financial
15 situation than Charter was, wouldn't you sir,
16 in 2009?

17 A Yes, although I don't think that
18 impacted programming decisions.

19 Q Comcast is bigger and had more
20 subscribers than Charter?

21 A Correct.

22 MR. PHILLIPS: Now I want to talk